

March 7, 1995

JURISPRUDENCE — S.B. 49, S.B. 169, S.B. 291, S.B. 808, S.B. 636 (Amended), C.S.S.B. 188, C.S.S.B. 511

ECONOMIC DEVELOPMENT — S.B. 524, S.B. 661 (Amended)

NATURAL RESOURCES — S.B. 651, S.B. 652 (Amended), C.S.S.B. 251, C.S.S.B. 271

SIGNED BY GOVERNOR

(March 1, 1995)

H.C.R. 9

H.C.R. 15

H.C.R. 61

H.C.R. 63

H.C.R. 72

H.C.R. 98

THIRTY-THIRD DAY

(Wednesday, March 8, 1995)

The Senate met at 11:00 a.m. pursuant to adjournment and was called to order by Senator Armbrister.

The roll was called and the following Senators were present: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Leedom, Lucio, Luna, Madla, Moncrief, Montford, Nelson, Nixon, Patterson, Ratliff, Rosson, Shapiro, Sibley, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Absent-excused: Harris, Sims.

A quorum was announced present.

The Reverend Curtis R. Lucas, Senior Pastor, Mount Carmel Missionary Baptist Church, Richmond, offered the invocation as follows:

Our heavenly Father, creator of all mankind, in humble submission I approach Thy throne asking Your choice blessings upon this legislative body, requesting that You instill wisdom, purposely guide, and direct all they attempt. Give each a keen sense of duty and service to and for those they represent from the Panhandle to the Valley, from the deserts of West Texas to the forestlands of the East. Be everything that we need. Give power to the faint and to those that have no might, increase their strength that they may mount up with wings as eagles to run and not be weary, walk and not faint.

Bless our Governor, Senators, Representatives, and each branch of our state government. Bless their families—make their homes prosperous and places of peace, love, and prayer. As a result, we will be careful to give You the praise, honor, and glory. These and all blessings we ask in Thy son Jesus' name. Amen and thank God.

On motion of Senator Truan and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

LEAVES OF ABSENCE

On motion of Senator Truan, Senator Harris was granted leave of absence for today on account of illness.

On motion of Senator Truan, Senator Sims was granted leave of absence for today on account of illness.

CO-AUTHOR OF SENATE BILL 715

On motion of Senator Patterson and by unanimous consent, Senator Madla will be shown as Co-author of **S.B. 715**.

CO-AUTHOR OF SENATE BILL 951

On motion of Senator Wentworth and by unanimous consent, Senator Madla will be shown as Co-author of **S.B. 951**.

(President in Chair)

CAPITOL PHYSICIAN

Senator Barrientos was recognized and presented Dr. Eduardo Sanchez of Austin as the "Doctor for the Day."

The Senate welcomed Dr. Sanchez and thanked him for his participation in the "Capitol Physician" program sponsored by the Texas Academy of Family Physicians.

BILLS AND RESOLUTION SIGNED

The President announced the signing of the following enrolled bills and resolution in the presence of the Senate after the captions had been read:

H.C.R. 62

S.B. 192

S.B. 4 (Signed subject to Art. III,
Sec. 49a of the Constitution)

MESSAGE FROM THE HOUSE

House Chamber
March 8, 1995

Mr. President: I am directed by the House to inform the Senate that the House has passed the following:

H.B. 2, Relating to restrictions on contributions to legislative caucuses during regular sessions of the legislature and to reporting requirements concerning caucus contributions and expenditures; providing penalties.

H.B. 856, Relating to the scope of practice of a dentist performing oral and maxillofacial surgery.

S.C.R. 76, Recognizing March 8, 1995, as Pittsburg Day.

Respectfully,

Cynthia Gerhardt, Chief Clerk
House of Representatives

SENATE RESOLUTION 134

Senator Madla offered the following resolution:

WHEREAS, Dolph Briscoe, Jr., has nobly served the State of Texas as a successful businessman, rancher, statesman, and civic leader without parallel for more than half a century, preserving a strong family heritage and devoting his life to service of his fellowman in the state and nation; and

WHEREAS, In public life, he has been an exemplary model as a state representative and as Governor of the State of Texas for two terms during which he served with honor and distinction; and

WHEREAS, Dolph Briscoe commands the respect and admiration of citizens throughout the state for his honesty and high moral character and for the indelible mark he has left on agriculture and the citizens of Texas; and

WHEREAS, He has been a leader in the Texas and national livestock industry, serving as President of the Texas and Southwestern Cattle Raisers Association and the Texas Sheep and Goat Raisers Association and in numerous offices for the well-being of farmers and ranchers; and

WHEREAS, His leadership was a major factor in the eradication of the screwworm, which is considered by many as the most significant development in the history of southern livestock production; and

WHEREAS, His concern for fellow citizens in rural areas prompted his successful efforts to vastly improve the farm-to-market road system of Texas through appropriate legislation; and

WHEREAS, Selected as 1994 recipient of the Texas A&M Distinguished Texan in Agriculture Award, Dolph Briscoe has provided an enviable role model for young men and women throughout the state, and he has served unselfishly with time and effort to improve the opportunities for young men and women, most notably in his recent chairmanship of the Texas Agricultural Lifetime Leadership Advisory Board; and

WHEREAS, As a preeminent leader, his faultless integrity, boundless optimism, and unique gift for instilling high values in people from all walks of life have enriched the Texas scene in countless ways; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 74th Legislature, hereby salute Dolph Briscoe, Jr., for his lifetime example of devotion and leadership; and, be it further

RESOLVED, That a copy of this Resolution be prepared for Dolph Briscoe as an expression of highest esteem from the Texas Senate.

The resolution was again read.

On motion of Senator Truan and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

The resolution was previously adopted on Wednesday, February 1, 1995.

GUESTS PRESENTED

The President asked Senators Madla, Truan, and Zaffirini to approach the rostrum to greet Governor Dolph Briscoe and his wife, Jane.

The President introduced Governor Briscoe who briefly addressed the Senate.

Senator Madla presented an enrolled copy of **S.R. 134** to Governor Briscoe.

SENATE RESOLUTION 301

Senator Brown offered the following resolution:

S.R. 301, Expressing appreciation to the people of Fort Bend County and extending best wishes to them for a joyous and celebratory Fort Bend County Day.

BROWN
ARMBRISTER
ELLIS

The resolution was read and was adopted by a viva voce vote.

GUESTS PRESENTED

Senator Brown was recognized and introduced to the Senate Bob Lutts, Fort Bend County Commissioner of Precinct 4; Elaine Bowman, President of Rosenberg/Richmond Area Chamber of Commerce; Jo. Ann Stevens, Chair of the Board of Fort Bend County Chamber of Commerce; Mike Rozell, Fort Bend County Judge; and Carolyn Reed, Chair of Fort Bend County Day, here in honor of Fort Bend County Day.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Henderson was recognized and introduced to the Senate Cypress-Fairbanks Independent School District Superintendent Rick Berry; Assistant Superintendent Bill Carpenter; board members David Barker, Max Moss, and Donna Ellis; and other administrative staff and teachers.

The Senate welcomed its guests.

(Senator Truan in Chair)

SENATE RESOLUTION 361

Senator Zaffirini offered the following resolution:

S.R. 361, Recognizing March 8, 1995, as Atascosa County Day at the State Capitol.

The resolution was read and was adopted by a viva voce vote.

(President in Chair)

SENATE CONCURRENT RESOLUTION 76

Senator Ratliff offered the following resolution:

S.C.R. 76, Recognizing March 8, 1995, as Pittsburg Day at the State Capitol.

The resolution was again read.

The resolution was previously adopted on Thursday, March 2, 1995.

GUESTS PRESENTED

Senator Ratliff was recognized and introduced to the Senate Pittsburg Mayor David Abernathy; Camp County Judge Preston Combest; Pittsburg Independent School District Superintendent Ed Kendall; Pittsburg City Manager Ned Muse; and a representative of the peach growers of Pittsburg and Camp County, Sandra Euford, here in honor of Pittsburg Day.

The Senate welcomed its guests.

(Senator Whitmire in Chair)

SENATE RESOLUTION 150

Senator Turner offered the following resolution:

S.R. 150, Commending the Texas Agricultural Lifetime Leadership program for its immeasurable contributions to the citizens of Texas and the nation.

The resolution was read and was adopted by a viva voce vote.

(President in Chair)

SENATE RESOLUTION 354

Senator Gallegos offered the following resolution:

S.R. 354, Commending the career of service to the practice of medicine of Kenneth L. Mattox, M.D., and declaring him Honorary Physician of the Day on March 8, 1995.

The resolution was read and was adopted by a viva voce vote.

GUEST PRESENTED

Senator Gallegos was recognized and introduced to the Senate Dr. Kenneth L. Mattox.

The Senate welcomed Dr. Mattox.

HOUSE RESOLUTION ON FIRST READING

The following resolution received from the House was read first time and referred to the committee indicated:

H.J.R. 34 to Committee on Finance,
Subcommittee on Veteran Affairs.

SENATE BILLS AND RESOLUTION ON FIRST READING

The following bills and resolution were introduced, read first time, and referred to the committees indicated:

S.C.R. 82 by Truan Natural Resources
Endorsing management of state water resource projects by state and local governmental entities created for that purpose without restraint, interference, or unsolicited assistance from the Bureau of Reclamation.

S.B. 950 by Whitmire Intergovernmental Relations
Relating to the use of binding arbitration in labor disputes involving certain metropolitan transit authorities.

S.B. 955 by Nelson Health and Human Services
Relating to exemptions from regulation as a food manufacturer or wholesaler.

S.B. 956 by Luna State Affairs
Relating to the conveyance of certain state-owned real property in Bexar County.

S.B. 957 by Luna Education
Relating to the application of the term contract nonrenewal act to registered nurses.

S.B. 960 by Wentworth Criminal Justice
Relating to certain conditions for the release of a criminal defendant on bond.

S.B. 961 by Barrientos Criminal Justice
Relating to the composition of community justice task forces.

S.B. 962 by Barrientos Economic Development
Relating to insurance coverage for certain real property foundations.

S.B. 963 by Barrientos Health and Human Services
Relating to requiring a health or human service agency to inform certain clients or patients of community-based service options.

S.B. 964 by Harris Economic Development
Relating to the regulation of driver training; providing a penalty.

S.B. 965 by Truan Health and Human Services
Relating to hospital staff privileges for physicians, podiatrists, and dentists.

S.B. 966 by Madla Natural Resources
Relating to the disposal, reuse, or recycling of cardboard.

- S.B. 967** by Madla Natural Resources
Relating to requiring financial assurance from certain persons who use or store electroplating bath solutions.
- S.B. 968** by Galloway Intergovernmental Relations
Relating to the regulation of bicycles on county roads.
- S.B. 969** by Shapiro Intergovernmental Relations
Relating to municipal regulation of burglar alarm systems.
- S.B. 970** by Ellis Intergovernmental Relations
Relating to the grievance procedures for county employees.
- S.B. 971** by Cain State Affairs
Relating to the adoption of a nonsubstantive revision of statutes relating to transportation, including conforming amendments, repeals, and penalties.
- S.B. 972** by Turner Economic Development
Relating to the prohibition of certain dental referral services; providing a penalty.
- S.B. 973** by Haywood Health and Human Services
Relating to the disclosure of certain information relating to certain patients of a physician.
- S.B. 974** by Haywood State Affairs
Relating to credit in the Teacher Retirement System of Texas for out-of-state service.
- S.B. 975** by West Finance
Relating to the authority of certain municipalities to impose a local tax on the gross rental receipts from the rental of a rented motor vehicle.
- S.B. 976** by Wentworth State Affairs
Relating to the issuance of specially designed Texas nature license plates and establishing the environmental education account in the general revenue fund.
- S.B. 977** by Sims, Ratliff Natural Resources
Relating to the beneficial land application of biosolids.
- S.B. 978** by Sims, Brown Natural Resources
Relating to cost-benefit analysis of environmental rules proposed for adoption by a state agency.
- S.B. 980** by Truan State Affairs
Relating to the operation on highways of vehicles that are equipped with monitoring devices used in conjunction with mobile navigational systems.
- S.B. 981** by Truan State Affairs
Relating to the registration of foreign commercial motor vehicles, trailers, and semitrailers.
- S.B. 982** by Truan Finance
Relating to the relationship of governmental entities outside this state, particularly the United Mexican States, to state tax provisions.

S.B. 983 by Truan Intergovernmental Relations
Relating to meetings of the mayors of municipalities for the purpose of making appointments to certain metropolitan rapid transit authorities.

S.B. 984 by Truan Natural Resources
Relating to the creation, powers, and duties of the Community Environmental Equity Board and the creation of the community environmental equity fund.

SENATE BILL 409 REREFERRED

On motion of Senator Ratliff and by unanimous consent, **S.B. 409** was withdrawn from the Committee on Education and was rereferred to the Committee on Finance.

CONCLUSION OF MORNING CALL

The President at 11:34 a.m. announced the conclusion of morning call.

SENATE BILL 323 ON SECOND READING

Senator Nixon moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 323** be taken up for consideration at this time:

S.B. 323, Relating to the licensing of certain physicians who are certified by a medical specialty board.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time.

Senator Montford offered the following amendment to the bill:

Floor Amendment No. 1

Amend **S.B. 323** as follows:

Strike all below the enacting clause of **S.B. 323** and substitute the following.

SECTION 1. Section 3.04, Medical Practice Act (Article 4495b, Vernon's Texas Civil Statutes), is amended by amending Subsections (a) and (d) and adding Subsection (f) to read as follows:

(a) An applicant, to be eligible for the examination and issuance of a license, must present satisfactory proof to the board that the applicant:

(1) is at least 21 years of age;

(2) is of good professional character;

(3) has completed 60 semester hours of college courses other than in medical school, which courses would be acceptable, at the time of completion, to The University of Texas for credit on a bachelor of arts degree or a bachelor of science degree; and

(4) is a graduate of an acceptable medical or osteopathic school or college that was approved by the board at the time the degree was conferred and has completed a one-year program of graduate medical training approved by the board.

(d) To be recognized by the board for the purposes of this subchapter, all medical [allopathic] or osteopathic medical education received by the applicant [instruction taught] in the United States must be accredited by an accrediting body officially recognized by the United States Department of Education [and the Council on Postsecondary accreditation] as the accrediting body for medical education leading to the doctor of medicine degree or the doctor of osteopathy degree in the United States. This subsection does not apply to postgraduate medical education or training.

(f) An applicant who is unable to comply with the requirements of Subsection (d) of this section is eligible for an unrestricted license if the applicant:

(1) received such medical education in a hospital or teaching institution sponsoring or participating in a program of graduate medical education accredited by the Accreditation Council for Graduate Medical Education, the American Osteopathic Association or the Texas State Board of Medical Examiners in the same subject as the medical or osteopathic medical education if the hospital or teaching institution has an agreement with the applicant's school; or

(2) is specialty board certified by a board approved by the American Osteopathic Association or the American Board of Medical Specialities.

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The amendment was read and was adopted by a viva voce vote.

The bill as amended was passed to engrossment by a viva voce vote.

SENATE BILL 323 ON THIRD READING

Senator Nixon moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that S.B. 323 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

MESSAGE FROM THE HOUSE

House Chamber
March 8, 1995

Mr. President: I am directed by the House to inform the Senate that the House has passed the following:

S.C.R. 83, Extending congratulations to the Honorable Preston Smith on his 83rd birthday.

H.C.R. 12, Urging the Congress of the United States to amend the Clean Air Act Amendments of 1990 to exempt school districts from the employee trip reduction provisions required in extreme and severe nonattainment areas.

Respectfully,

Cynthia Gerhardt, Chief Clerk
House of Representatives

SENATE BILL 489 ON SECOND READING

Senator Armbrister moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 489** be taken up for consideration at this time:

S.B. 489, Relating to the disclosure of certain information by a person licensed to sell real estate.

The motion prevailed by the following vote: Yeas 28, Nays 1.

Nays: Barrientos.

Absent-excused: Harris, Sims.

The bill was read second time.

Senator Armbrister offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **S.B. 489** in SECTION 1, Subsection (m) on page 8, line 10, by adding a new Subdivision (4), to read as follows:

(4) "Subagent" means a licensee who represents a principal through cooperation with and consent of a broker representing the principal and who is not sponsored by or associated with the principal's broker.

The committee amendment was read and was adopted by a viva voce vote.

On motion of Senator Armbrister and by unanimous consent, Committee Amendment No. 2 and Committee Amendment No. 3 were withdrawn from the President's table.

Senator Armbrister offered the following amendment to the bill:

Floor Amendment No. 1

Amend **S.B. 489** to read as follows:

Section 1, Subsection (d), on page 2, line 38, after the words, "pay the broker" and before the ".", by inserting the following:
and, in conspicuous bold or underline print, set forth the broker's obligations as an intermediary

Section 1, Subsection (m), on page 4, line 20, by adding a new Subdivision to read as follows, and renumber all other Subdivisions in Subsection (m) appropriately:

(2) "Intermediary" means a broker who is employed to negotiate a transaction between the parties subject to the obligations in subsection (j) of this Section and for that purpose may be an agent for the parties to the transaction. The intermediary shall act impartially so as not to favor one party over the other. Appointment by the intermediary of associated licensees under Subsection (k) of this Section to communicate with, carry out instructions for, and provide opinions and advice to the parties for whom the licensees are appointed is an impartial act.

The amendment was read and was adopted by a viva voce vote.

The bill as amended was passed to engrossment by a viva voce vote.

RECORD OF VOTE

Senator Barrientos asked to be recorded as voting "Nay" on the passage of the bill to engrossment.

SENATE BILL 489 ON THIRD READING

Senator Armbrister moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **S.B. 489** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 1.

Nays: Barrientos.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by a viva voce vote.

RECORD OF VOTE

Senator Barrientos asked to be recorded as voting "Nay" on the final passage of the bill.

(Senator Armbrister in Chair)

SENATE BILL 636 ON SECOND READING

Senator Henderson moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 636** be taken up for consideration at this time:

S.B. 636, Relating to a suit filed seeking to withhold information requested under the open records law and to the parties to the suit.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time.

Senator Henderson offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **S.B. 636** as follows:

On page 1, line 18 after the word "may" strike the rest of the sentence and substitute the following language: "not file suit against the person requesting the information."

On page 1, line 21 and 22 strike the phrase "and may not be named as a party in the suit unless the person chooses to intervene."

On page 2, line 15 after the word "general" strike the word "agrees" and replace with "enters into a proposed settlement."

On page 2, line 16 and 17 strike the phrase "and decides not to contest withholding that information"

The committee amendment was read and was adopted by a viva voce vote.

The bill as amended was passed to engrossment by a viva voce vote.

SENATE BILL 636 ON THIRD READING

Senator Henderson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **S.B. 636** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

SENATE BILL 445 ON SECOND READING

Senator Luna asked unanimous consent to suspend the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution to take up for consideration at this time:

S.B. 445, Relating to the operation of a vehicle with a child in an open bed of the vehicle or in the open bed of a trailer being towed by the vehicle.

There was objection.

Senator Luna then moved to suspend the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution and take up **S.B. 445** for consideration at this time.

The motion prevailed by the following vote: Yeas 26, Nays 3.

Yeas: Armbrister, Barrientos, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Lucio, Luna, Madla, Moncrief, Montford, Nelson, Patterson, Ratliff, Rosson, Shapiro, Sibley, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Nays: Bivins, Leedom, Nixon.

Absent-excused: Harris, Sims.

The bill was read second time.

Senator Luna offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend S.B. 445, on line 17, by adding the following:

(d) An offense under this subsection is not admissible evidence in a civil trial.

The committee amendment was read.

On motion of Senator Luna and by unanimous consent, the committee amendment was withdrawn.

Senator Luna offered the following amendment to the bill:

Floor Amendment No. 1

Amend S.B. 445 as follows:

On page 1, line 9, committee printing, strike "An offense under this subsection" and substitute "Compliance or noncompliance with Subsection (a)".

The amendment was read and was adopted by a viva voce vote.

The bill as amended was passed to engrossment by the following vote:
Yeas 21, Nays 8.

Yeas: Armbrister, Barrientos, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Lucio, Luna, Madla, Moncrief, Montford, Nelson, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Nays: Bivins, Leedom, Nixon, Patterson, Ratliff, Rosson, Shapiro, Sibley.

Absent-excused: Harris, Sims.

SENATE BILL 445 ON THIRD READING

Senator Luna moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that S.B. 445 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 4.

Yeas: Armbrister, Barrientos, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Lucio, Luna, Madla, Moncrief, Montford, Nelson, Patterson, Ratliff, Rosson, Sibley, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Nays: Bivins, Leedom, Nixon, Shapiro.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by a viva voce vote.

RECORD OF VOTES

Senators Bivins, Haywood, Leedom, Nixon, Ratliff, Rosson, Shapiro, and Sibley asked to be recorded as voting "Nay" on the final passage of the bill.

**COMMITTEE SUBSTITUTE
SENATE BILL 542 ON SECOND READING**

Senator Rosson moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that C.S.S.B. 542 be taken up for consideration at this time:

C.S.S.B. 542, Relating to allowing certain counties to cancel certain platted subdivisions if the land has not been developed and is likely to be developed as a colonia.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time.

Senator Rosson offered the following amendment to the bill:

Floor Amendment No. 1

Amend C.S.S.B. 542 as follows:

(1) In SECTION 2, Subsection (b)(1) of added Section 232.0085 (committee printing page 1, line 48), strike "January 1, 1995" and substitute "the effective date of this Act"

The amendment was read and was adopted by a viva voce vote.

Senator Rosson offered the following amendment to the bill:

Floor Amendment No. 2

Amend C.S.S.B. 542 as follows:

(1) In SECTION 2, Subsection (e) of added Section 232.0085 (committee printing page 2, lines 14-15), strike "tax assessor-collector" and substitute "chief appraiser".

(2) In SECTION 2, Subsection (e) of added Section 232.0085 (committee printing page 2, line 15), after the period add the following: "Any liens against the property shall remain against the property as it was previously subdivided."

(3) In SECTION 2, Subsection (a)(1) of added Section 232.0085, after "Water Code" and before the period (committee printing page 1, line 43), insert ", and is located along an international border".

(4) In SECTION 2, Subsection (d)(1) of added Section 232.0085, between "who" and "owns" (committee printing page 2, line 1), insert "is a nondeveloper owner and".

The amendment was read and was adopted by a viva voce vote.

The bill as amended was passed to engrossment by a viva voce vote.

**COMMITTEE SUBSTITUTE
SENATE BILL 542 ON THIRD READING**

Senator Rosson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that C.S.S.B. 542 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

SENATE BILL 645 ON SECOND READING

Senator Luna moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 645** be taken up for consideration at this time:

S.B. 645, Relating to dismissal of certain traffic offenses on completion of a motorcycle operator training course.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time and was passed to engrossment by a viva voce vote.

SENATE BILL 645 ON THIRD READING

Senator Luna moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **S.B. 645** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

SENATE BILL 255 ON SECOND READING

Senator Rosson moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 255** be taken up for consideration at this time:

S.B. 255, Relating to the distribution of "Earned Income Tax Credits" information by the Comptroller of Public Accounts and other state agencies.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time and was passed to engrossment by a viva voce vote.

SENATE BILL 255 ON THIRD READING

Senator Rosson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **S.B. 255** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by a viva voce vote.

SENATE BILL 706 ON SECOND READING

Senator Wentworth moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 706** be taken up for consideration at this time:

S.B. 706, Relating to the wearing of seat belts by certain vehicle operators and passengers.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time and was passed to engrossment by a viva voce vote.

SENATE BILL 706 ON THIRD READING

Senator Wentworth moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **S.B. 706** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by a viva voce vote.

SENATE BILL 279 REREFERRED

On motion of Senator Brown and by unanimous consent, **S.B. 279** was withdrawn from the Committee on Criminal Justice and was rereferred to the Committee on Finance.

(President in Chair)

SENATE BILL 808 ON SECOND READING

Senator Lucio moved that the regular order of business, Senate Rule 7.13, and Section 5 of Article III of the State Constitution be suspended and that **S.B. 808** be taken up for consideration at this time:

S.B. 808, Relating to the authority of innkeepers to refuse accommodations to persons in certain circumstances and to require certain financial guarantees.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read second time.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 1

Amend **S.B. 808** as follows:

Strike SECTION 2 of **S.B. 808** and replace with the following:

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The amendment was read and was adopted by a viva voce vote.

The bill as amended was passed to engrossment by a viva voce vote.

SENATE BILL 808 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **S.B. 808** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

SESSION TO CONSIDER EXECUTIVE APPOINTMENTS

The President announced the time had arrived to consider the executive appointments to agencies, boards, and commissions. Notice of submission of these names for consideration was given yesterday by Senator Bivins.

Senator Bivins moved confirmation of the nominees reported yesterday by the Committee on Nominations.

The President asked if there were requests to sever nominees.

There were no requests offered.

NOMINEES CONFIRMED

The following nominees, as reported by the Committee on Nominations, were confirmed by the following vote: Yeas 29, Nays 0.

Absent-excused: Harris, Sims.

Commissioner of Education: DR. MICHAEL ALTON MOSES, Lubbock County.

Members, Parks and Wildlife Commission: LEE MARSHALL BASS, Tarrant County; RICHARD W. HEATH, Dallas County; SUSAN HOWARD, Kendall County; NOLAN RYAN, Brazoria County.

Members, Texas Board on Aging: NANCY S. BOHMAN, Bexar County; DR. ELENA BASTIDA GONZALEZ, Hidalgo County; DAN ROBERTS, Tarrant County.

Members, Credit Union Commission: BARBARA FRY ARNOLD, Ector County; SUSAN CHEN JACKSON, Harris County; LINDA MANN, Matagorda County.

Members, Crime Stoppers Advisory Council: LIEUTENANT DARRELL W. BUSH, Jefferson County; OFFICER KELTON TODD VARNER, Lamar County.

Members, State Board of Registration for Professional Engineers: JOHN G. FARBES, Dallas County; JOSE I. GUERRA, Travis County; HUBERT OXFORD III, Jefferson County; DR. C. H. "HERB" TREAT, Travis County.

Member, Texas Commission on Fire Protection: ERNEST L. BROWN, Deaf Smith County.

Members, Fire Fighters' Relief and Retirement Fund Board of Trustees: JENNIFER SULLIVAN ARMSTRONG, Tarrant County; ROBERT BARRETT, Gaines County; DONALD A. EERNISSE, Brazoria County; GLENN DALE NEUTZLER, Washington County; THOMAS N. TOURTELLOTTE, Hays County; MERLE D. WILKINS, Hays County.

Members, State Committee of Examiners in the Fitting and Dispensing of Hearing Instruments: A. L. BURNS, JR., Bowie County; JOYCIE L. BURNS, Freestone County; LARRY WAYNE FARRIS, Bexar County; WALLACE HAMILL, Dallas County; DR. AUSTIN I. KING, Taylor County; THOMAS C. LUCENAY, McLennan County; ANDREW M. PENA, El Paso County; JANE W. PORTER, Dallas County; DIANE CECILE SHAFFER, Jefferson County.

Members, Texas Historical Commission: BETTY ELLIOTT HANNA, Stephens County; KARL A. KOMATSU, Tarrant County; JOHN ELLIOTT PRESTON, Childress County.

GUESTS PRESENTED

Senator Wentworth was recognized and introduced to the Senate Susan Howard, newly confirmed member of the Parks and Wildlife Commission, her husband, Calvin Chrane, and other family members.

The Senate welcomed its guests.

SENATE RULE 11.11 SUSPENDED (Posting Rule)

On motion of Senator Ratliff and by unanimous consent, Senate Rule 11.11 was suspended in order that the Committee on Education might meet today upon adjournment in the Senate Chamber, instead of at 3:00 p.m. in the Capitol Extension.

SENATE BILLS ON FIRST READING

On motion of Senator Brown and by unanimous consent, the following bills were introduced, read first time, and referred to the committees indicated:

S.B. 1018 by Turner State Affairs
Relating to a cemetery on land owned by The Texas A&M
University System.

(1) "Alternative fuel" means any fuel or power source that, when used in a clean-fuel vehicle, allows the vehicle to comply with the standards and requirements of Part C, Subchapter II, of the federal Clean Air Act, as amended (42 U.S.C. Section 7581 et seq.) and emission limits at least as stringent as the applicable low-emission vehicle standards for

the clean-fuel fleet program under 40 C.F.R. Sections 88.104-94 and 88.105-94 as published in the September 30, 1994, Federal Register.

(2) "Capable of being centrally fueled" means a fleet or that part of a fleet consisting of vehicles that could be refueled 100 percent of the time at a location that is owned, operated, or controlled by the fleet operator or that is under contract with the fleet operator. The fact that one or more vehicles in a fleet are not centrally fueled does not exempt an entire fleet from the program.

(3) "Centrally fueled" means a fleet or that part of a fleet consisting of vehicles that are refueled 100 percent of the time at a location that is owned, operated, or controlled by the fleet operator or that is under contract with the fleet operator. The fact that one or more vehicles in a fleet are not centrally fueled does not exempt an entire fleet from the program. The term does not include retail credit card purchases or commercial fleet service card purchases.

(4) "Clean-fuel vehicle" means a vehicle in a class or category of vehicles that has been certified to meet for any model year:

(A) the clean-fuel vehicle standards applicable under Part C, Subchapter II, of the federal Clean Air Act, as amended (42 U.S.C. Section 7581 et seq.); and

(B) emission limits at least as stringent as the applicable low-emission vehicle standards for the clean-fuel fleet program under 40 C.F.R. Sections 88.104-94 and 88.105-94 as published in the September 30, 1994, Federal Register.

(5) "Conventional gasoline" means any gasoline that does not meet specifications set by a certification under Section 211(k) of the federal Clean Air Act, as amended (42 U.S.C. Section 7545(k)).

(6) "Emissions" means emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, particulates, or any combination of those substances.

(7) [(2)] "Fleet vehicle" means a vehicle required to be registered under Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929 (Article 6675a-2, Vernon's Texas Civil Statutes), and that is centrally fueled or capable of being centrally fueled. The term does not include:

(A) a fleet vehicle that, when not in use, is normally parked at the residence of the individual who usually operates it and that is available to such individual for personal use;

(B) a fleet vehicle that, when not in use, is normally parked at the residence of the individual who usually operates it and who does not report to a central location; or

(C) a fleet vehicle that has a gross vehicle weight rating of greater than 26,000 pounds except vehicles owned or operated by the state.

(8) [(3)] "Mass transit authority" means a transportation or transit authority or department established under Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), Chapter 683, Acts of the 66th Legislature, Regular

Session, 1979 (Article 1118y, Vernon's Texas Civil Statutes), or Article 1118z, Revised Statutes, that operates a mass transit system under any of those laws.

(9) "Reformulated gasoline" means gasoline that has been certified as a reformulated gasoline under the federal certification regulations adopted in accordance with Section 211(k) of the federal Clean Air Act, as amended (42 U.S.C. Section 7545(k)).

SECTION 2. Section 382.133, Health and Safety Code, is amended to read as follows:

Sec. 382.133. MASS TRANSIT FLEET VEHICLES. (a) The board by rule shall require a mass transit authority to ensure that its vehicles can operate on compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels that result in comparably lower emissions]~~.

(b) Rules adopted under this section must require a mass transit authority to have its fleet vehicles able to operate on compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuel]~~ according to the following schedule:

(1) not later than September 1, 1994, at least 30 percent of the vehicles; and

(2) not later than September 1, 1996, at least 50 percent of the vehicles.

(c) Contingent on the board's review, not later than December 31, 1996, of the ~~[alternative fuels]~~ program established by this section and the board's determination that the program is reducing emissions, is projected to be effective in improving overall air quality, and is necessary to the attainment of federal ambient air quality standards in the affected areas, the rules must require a mass transit authority, not later than September 1, 1998, to have at least 90 percent of its fleet vehicles able to operate on compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuel]~~.

SECTION 3. Section 382.134, Health and Safety Code, is amended to read as follows:

Sec. 382.134. LOCAL GOVERNMENT AND PRIVATE FLEET VEHICLES. (a) This section applies only to:

(1) a local government that operates primarily in an affected area a fleet of more than 15 vehicles, excluding law enforcement and emergency vehicles; and

(2) a private person that operates primarily in an affected area a fleet of more than 25 ~~fleet~~ vehicles, excluding emergency vehicles.

(b) ~~The [If the board determines under Section 382.133 that the alternative fuels program is reducing emissions, is projected to be effective~~

~~in improving overall air quality, and is necessary to comply with federal ambient air quality standards for ozone, carbon monoxide, oxides of nitrogen, or particulates in the affected areas, the] board by rule shall require a local government or a private person to ensure that its fleet vehicles can operate on an [compressed natural gas or other] alternative fuel [fuels that reduce total annual emissions from motor vehicles in the area].~~

(c) Rules adopted ~~by the board [under this section]~~ must require a local government or private person to have a proportion of the person's newly purchased [its] fleet vehicles and a proportion of the fleet vehicles in the person's total fleet able to operate on an [compressed natural gas or other] alternative fuel according to the following schedule:

(1) 30 percent of fleet vehicles purchased after [not later than] September 1, 1998, or at least 10 percent of the fleet vehicles in the total fleet [30 percent of the vehicles];

(2) 50 percent of fleet vehicles purchased after [not later than] September 1, 2000, and at least 20 percent of the fleet vehicles in the total fleet [50 percent of the vehicles]; and

(3) 90 percent of fleet vehicles purchased after [not later than] September 1, 2002, and at least 45 percent of the fleet vehicles in the total fleet [90 percent of the vehicles].

(d) Rules adopted by the board may not require a local government or private person to purchase a fleet vehicle able to operate on an alternative fuel if the person maintains a proportion of 90 percent or more alternative fuel vehicles in the person's fleet.

(e) The choice of clean-fuel vehicles and alternative fuels is in the fleet operator's discretion.

SECTION 4. Section 382.135, Health and Safety Code, is amended to read as follows:

Sec. 382.135. DUAL FUEL CONVERSION. (a) The percentage requirements of Section [Sections] 382.133 [and 382.134] may be met by the dual fuel conversion or capability of conventional gasoline-powered or diesel-powered vehicles to operate also on compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuels that result in comparably lower emissions].

(b) The percentage requirements of Section 382.134 may be met by the dual fuel conversion or capability of conventional gasoline-powered or diesel-powered vehicles to operate also on an alternative fuel.

SECTION 5. Subsection (a), Section 382.136, Health and Safety Code, is amended to read as follows:

(a) The board may make exceptions to rules adopted under Sections 382.133 and 382.134 if:

(1) a firm engaged in fixed price contracts with public works agencies can demonstrate that compliance with the requirements of those sections would result in substantial economic harm to the firm under a contract entered into before September 1, 1997;

(2) the board determines that the affected vehicles will be operating primarily in an area that does not have or cannot reasonably be expected to establish adequate ~~[a-central]~~ refueling ~~[station]~~ for the ~~[alternative]~~ fuels required under Sections 382.133 and 382.134; ~~[or]~~

(3) the affected entity is unable to secure financing provided by or arranged through the proposed supplier or suppliers of the ~~[compressed natural gas or other alternative]~~ fuels required under Sections 382.133 and 382.134 sufficient to cover the additional costs of such ~~[alternative]~~ fueling; or

(4) the projected net costs attributable to fueling for conversion or replacement and operation of conventionally fueled vehicles or engines with those capable of operating on the fuels required under Sections 382.133 and 382.134 reasonably is expected not to exceed comparable costs for vehicles operating on conventional gasoline and diesel measured over the expected useful life of such vehicles or engines and after including in such cost calculations any available state or federal funding or incentives for the use of the fuels required under Sections 382.133 and 382.134.

SECTION 6. Subsections (a) and (b), Section 382.138, Health and Safety Code, are amended to read as follows:

(a) In conjunction with the development of state implementation plans for achieving and maintaining compliance with federal ambient air quality standards under the federal Clean Air Act (42 U.S.C. Section 7401 et seq.), the board shall evaluate and determine, for areas required by federal law to have state implementation plans, the effectiveness of and need for the use of ~~[compressed natural gas and other]~~ alternative fuels in vehicles.

(b) The evaluation and determination must include:

(1) the uses of ~~[compressed natural gas or other]~~ alternative fuels required by Section ~~[Sections 382.133 and]~~ 382.134; and

(2) additional or different uses of ~~[compressed natural gas or other]~~ alternative fuels.

SECTION 7. Section 382.139, Health and Safety Code, is amended to read as follows:

Sec. 382.139. ADDITIONAL ALTERNATIVE FUELS USE. (a) If, after considering the factors listed in Section 382.138, the board determines that the use of ~~[compressed natural gas or other]~~ alternative fuels for certain categories of motor vehicles is effective and necessary for achieving or [and] maintaining compliance with federal ambient air quality standards, the board by rule shall require those uses in addition to uses required elsewhere in this subchapter.

(b) If, after considering the factors listed in Section 382.138, the board determines that the additional uses are appropriate, the board may establish and implement programs encouraging the use of ~~[compressed natural gas or other]~~ alternative fuels for certain categories of vehicles.

SECTION 8. Subsection (a), Section 382.140, Health and Safety Code, is amended to read as follows:

(a) In connection with the evaluations and determinations required under Section 382.138 and encouraging the use of ~~[natural gas or other]~~

alternative fuels, the board may conduct or have conducted appropriate studies or pilot programs.

SECTION 9. Section 382.141, Health and Safety Code, is amended to read as follows:

Sec. 382.141. REPORT REQUIRED. The board shall report biennially its evaluations and determinations on the use of ~~[compressed natural gas or other]~~ alternative fuels and recommend legislative changes necessary to implement an effective and feasible program for the use of ~~[compressed natural gas and other]~~ alternative fuels. The report shall be submitted to the governor and the legislature not later than the 30th day before the commencement of each regular legislative session.

SECTION 10. Subchapter F, Chapter 382, Health and Safety Code, is amended by adding Sections 382.142 and 382.143 to read as follows:

Sec. 382.142. PROGRAM COMPLIANCE CREDITS. (a) The percentage requirements of Sections 382.133 and 382.134 may be met, in whole or in part, through the purchase, lease, or other acquisition of the required percentages of clean-fuel vehicles or through the acquisition or use of program compliance credits.

(b)(1) Rules adopted under this section shall provide for the issuance of appropriate program compliance credits to a vehicle owner or operator for any of the following or any combination thereof:

(A) the acquisition of a clean-fuel vehicle which meets more stringent emissions control standards than those otherwise required under Section 382.132(b);

(B) the acquisition of clean-fuel vehicles in greater numbers than otherwise required under Sections 382.133 and 382.134;

(C) the purchase of a clean-fuel vehicle in a category not otherwise required by this subchapter; and

(D) the purchase, lease, or acquisition of a clean-fuel vehicle prior to the dates otherwise required under Sections 382.133 and 382.134.

(2) Program compliance credits shall be awarded based upon the emissions certification level of the vehicle generating the credit. Vehicles which provide greater emissions reductions levels will be entitled to a greater number of credits as follows:

(A) LEVs - one credit;

(B) ULEVs - two credits; and

(C) ILEVs and ZEVs - three credits.

(3) Program compliance credits issued for the purchase, lease, or other acquisition of a vehicle pursuant to this section may be used to demonstrate compliance with the percentage requirements of Sections 382.133 and 382.134, they may be banked for later use, or they may be traded, sold, or purchased, for use by any other person in the same nonattainment area, to demonstrate compliance with the percentage requirements of Sections 382.133 and 382.134.

(4) Vehicles converted, purchased, leased, or otherwise acquired prior to September 1, 1998, may be counted toward compliance with the applicable fleet percentage requirements of Section 382.134 if the vehicles:

(A) are capable of operating on an alternative fuel;
(B) meet at a minimum the Tier I emissions standards pursuant to Section 202 of the federal Clean Air Act, as amended (42 U.S.C. Section 7521); and

(C) do not exceed 30 percent of the owner/operator's fleet on September 1, 1998.

(5) This section shall also apply to all vehicles purchased, leased, or otherwise acquired pursuant to:

(A) Section 21.174(c)(1), Education Code;

(B) Section 14(c)(1), Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), as added by Section 8, Chapter 1189, Acts of the 71st Legislature, Regular Session, 1989, and amended by Section 13, Chapter 503, Acts of the 72nd Legislature, Regular Session, 1991;

(C) Section 20(e)(1), Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes);

(D) Section 6(k)(1), Article 1118z, Revised Statutes; and

(E) Section 3.29(a), State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes).

Sec. 382.143. TEXAS MOBILE EMISSIONS REDUCTION CREDIT PROGRAM. (a) The board by rule shall establish a Texas Mobile Emissions Reduction Credit (MERC) Program.

(b) Rules adopted under this section shall comply with the United States Environmental Protection Agency's minimum requirements for an approvable Mobile Emissions Reduction Credit program and shall also provide for the following program elements:

(1) program participation shall be as follows:

(A) entry into the program is voluntary; and

(B) both fleet owners or operators subject to the percentage requirements of Sections 382.133 and 382.134 and vehicle owners or operators who are not subject to those percentage requirements may generate mobile emissions reduction credits under this program, although the board may require a certain minimum number of vehicles to participate;

(2) mobile emissions reduction credits shall be calculated on a per-pollutant basis and shall be granted to a participating vehicle owner or operator for any of the following:

(A) acquisition of more or cleaner vehicles than otherwise required by law; or

(B) entering into a binding contract with the board to purchase or acquire at some future date more or cleaner vehicles than otherwise required by law;

(3) mobile emissions reduction credit values shall be determined in accordance with United States Environmental Protection Agency rules and guidance;

(4) mobile emissions reduction credits may be used as follows:

(A) to demonstrate compliance with any applicable mobile source emissions reductions requirements; and

(B) to satisfy Reasonably Available Control Technology and Clean Air Act offset requirements, subject to the appropriate trading ratios; and

(5) all mobile emissions reduction credits generated in accordance with this section may, within the same nonattainment area, be sold, traded, or banked for later use without discount or depreciation of such credits.

(c)(1) Texas Mobile Emissions Reduction Credit Fund is created and is to be administered by the board.

(2) Mobile emissions reduction credits shall be assigned from the Texas Mobile Emissions Reduction Credit Fund to vehicle owners or operators qualified under this section to generate and receive mobile emissions reduction credits if the following conditions are met:

(A) the vehicle owner or operator enters into a binding contract with the board, agreeing to purchase and place in service in designated program areas clean-fuel vehicles in accordance with the number of credits issued and the time frame specified by the board; and

(B) the vehicle owner or operator agrees to name the United States Environmental Protection Agency as a third-party beneficiary of its contract with the board.

(3) Contracts entered into under this section may be enforced in the courts of the State of Texas by an order of specific performance.

(d) The acquisition of qualifying clean-fuel vehicles may qualify both for mobile emissions reduction credits under this section and for program compliance credits under Section 382.142.

(e) The following shall be considered violations of the Texas Mobile Emissions Reduction Credit Program:

(1) claiming a mobile emissions reduction credit without meeting the appropriate acquisition requirements and submitting any other data required by board rules; or

(2) counterfeiting or dealing commercially in counterfeit mobile emissions reduction credit certificates.

(f) Any person found by the board to be in violation under Subsection (e) shall be subject to a civil penalty of not more than \$25,000 per violation.

(g) The credit trading program established by this section shall be administered as follows:

(1) Mobile emissions reduction credits must be banked in accordance with the then existing board rules.

(2) MERCs may be generated on a per-pollutant basis in the following ways:

(A) after September 1, 1994, the use, conversion, purchase, or acquisition of more clean-fuel vehicles than required by the fleet percentage requirements of Sections 382.133 and 382.134, according to the following formula:

$$\text{MERC grams per year} = \frac{(\text{additional emissions benefit} \times \text{VMT} \times \text{CF})}{n}$$

(i) additional emissions benefit is the in-use emissions difference between the emission certification standard of the conventionally fueled baseline vehicle and the LEV emission standards. For evaporative emissions, benefit will be derived from the most recently EPA approved mobile emissions estimation model;

(ii) VMT is the total remaining vehicle miles to be traveled;

(iii) CF is the conversion factor for heavy-duty vehicles which is: brake specific fuel consumption x fuel economy x fuel density;

(iv) n is the estimated fleet life of the vehicle measured in years;

(B) the purchase or acquisition of vehicles which meet emission standards more stringent than the LEV emission standards, according to the following formula:

$$\text{MERC grams per year} = \frac{(\text{cleaner vehicle benefit} \times \text{VMT} \times \text{CF})}{n}$$

where cleaner vehicle benefit is the in-use emissions rate difference between the LEV emission standards and the standard to which the vehicle is actually certified;

(C) the purchase or acquisition of a vehicle with certified levels of evaporative emissions less than five grams per test, according to the following formula:

$$\text{MERC grams per year} = \frac{(\text{vapor improvement} \times \text{VMT})}{n}$$

where vapor improvement is the in-use emissions rate difference between conventional and low vapor emission vehicles calculated using the most recently approved EPA mobile emissions model.

(3) The vehicle owners or operators applying for a MERC shall submit a registration application to the board using an approved MERC registration form. The application must clearly state the following information for each vehicle generating credit:

(A) the emissions standard of the vehicle as certified pursuant to Section 382.132(b);

(B) the number of remaining vehicle miles to be traveled;

(C) the number of years the vehicle will be used as a fleet vehicle; and

(D) the results from the MERC calculation used to estimate the credit value in grams per year.

(4) The MERC registration must include information sufficient to calculate the MERCs value under Subdivision (2).

(5) The board will evaluate the claimed credits and may adjust the value of the MERCs based on the evaluation.

(6) MERC registration applications must be received at least 90 days prior to using the MERC.

(7) The board will have 30 days from the date of receipt to determine if the MERC registration application is complete.

(8) The board will have 90 days from date of receipt of the completed application to approve or deny the MERC registration.

(9) The board may revoke approval of a MERC registration under this section at any time on determining that the requirements of this section are not being met.

(h) This section also applies to all vehicles purchased, leased, or otherwise acquired pursuant to:

(A) Section 21.174(c)(1), Education Code;

(B) Section 14(c)(1), Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), as added by Section 8, Chapter 1189, Acts of the 71st Legislature, Regular Session, 1989, and amended by Section 13, Chapter 503, Acts of the 72nd Legislature, Regular Session, 1991;

(C) Section 20(e)(1), Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes);

(D) Section 6(k)(1), Article 1118z, Revised Statutes; and

(E) Section 3.29(a), State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes).

SECTION 11. Subsection (c), Section 14, Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), as added by Section 8, Chapter 1189, Acts of the 71st Legislature, Regular Session, 1989, and amended by Section 13, Chapter 503, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

(c)(1) The board may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels which result in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof].~~

(2) The authority may acquire or be provided equipment or refueling facilities necessary to operate such vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or

ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~].

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~], the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) The board or, in an authority covered by Subsection (h) of this section, the Texas Natural Resource Conservation Commission [~~Air Control Board~~], may make exceptions to the requirements of this subsection if the board certifies that:

(A) the authority's vehicles will be operating primarily in an area in which neither the authority nor a supplier has or can reasonably be expected to establish adequate [~~a central~~] refueling [~~station~~] for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~]; or

(B) the authority is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity, [~~or other alternative fuels~~] at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional [~~traditional~~] gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

SECTION 12. Section 14, Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), is amended by amending Subsections (d), (e), (g), and (h) and by adding Subsection (i) to read as follows:

(d)(1) The board shall achieve the following percentages of vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~] by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated in 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission [~~Air Control Board~~] must review this [~~alternative fuel use~~] program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission [~~Air Control Board~~] determines that the program has been effective in reducing total annual emissions from motor vehicles in the

area, the board shall achieve a percentage of fleet vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The board must submit to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ and any other relevant information the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may require.

(e) The board in the development of the use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuel use program]~~ should work with vehicle manufacturers and converters, fuel distributors, and others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. The board may meet the percentage requirements of this section through purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws~~[-to use such alternative fuels]~~.

(g) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may require reasonable reporting from any board to document the air quality benefits from the program ~~[alternative fuel use programs]~~.

(h)(1) This subsection applies only to an authority confirmed at a tax election before July 1, 1985, and in which the principal city has a population of less than 750,000, according to the most recent federal census.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may reduce any percentage specified by, or waive the requirements of, Subsection (d) of this section for an authority on receipt of certification supported by evidence acceptable to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ that:

(A) the authority's vehicles will be operating primarily in an area in which neither the authority nor a supplier has or can reasonably be expected to establish adequate ~~[a central]~~ refueling ~~[station]~~ for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~; or

(B) the authority is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using

compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~] at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional [~~traditional~~] gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(3) The Texas Natural Resource Conservation Commission [~~Air Control Board~~] shall develop rules for the certification process, including provisions requiring the authority to hold a public meeting and develop an alternative implementation schedule for meeting the percentages provided by Subsection (d) of this section before applying to the Texas Natural Resource Conservation Commission [~~Air Control Board~~] for a reduction or waiver of those requirements.

(i) In this section, "Conventional gasoline" has the meaning assigned by Section 382.131, Health and Safety Code.

SECTION 13. Section 20, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended by amending Subsections (e), (f), (g), and (h) and by adding Subsection (k) to read as follows:

(e)(1) An authority may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels which result in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof~~].

(2) An authority may acquire or be provided equipment or refueling facilities necessary to operate [~~such~~] vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~]:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~].

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other~~]

~~alternative fuels~~], the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) An authority may make exceptions to the requirements of this subsection if the authority certifies that:

(A) the authority's vehicles will be operating primarily in an area in which neither the authority nor a supplier has or can reasonably be expected to establish adequate ~~[a central]~~ refueling ~~[station]~~ for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~; or

(B) the authority is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(f)(1) An authority shall achieve the following percentages of vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated by September 1, 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ must review this ~~[alternative fuel use]~~ program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, the authority shall achieve a percentage of fleet vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The authority must submit to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of

85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuels] and any other relevant information the Texas Natural Resource Conservation Commission [Air Control Board] may require.

(g) An authority in the development of the use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuel use program] should work with vehicle manufacturers and converters, fuel distributors, and others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. The authority may meet the percentage requirements of this section through the purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws [, to use the alternative fuels].

(h) The authority in purchasing, leasing, maintaining, or converting vehicles for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuels use] shall comply with all applicable safety standards promulgated by the United States Department of Transportation and the Railroad Commission of Texas or their successor agencies.

(k) In this section, "conventional gasoline" has the meaning assigned by Section 382.131, Health and Safety Code.

SECTION 14. Section 6, Article 1118z, Revised Statutes, is amended by amending Subsections (k), (l), and (m) and by adding Subsection (p) to read as follows:

(k)(1) The department may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuel which results in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof].

(2) The department may acquire or be provided equipment or refueling facilities necessary to operate [such] vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuels]:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or

methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~].

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~], the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) A department may make exceptions to the requirements of this subsection if the department certifies that:

(A) the department's vehicles will be operating primarily in an area in which neither the department nor a supplier has or can reasonably be expected to establish adequate [~~a central~~] refueling [~~station~~] for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~]; or

(B) the department is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~] at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional [~~traditional~~] gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(1)(1) A department shall achieve the following percentages of vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~] by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated by September 1, 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission [~~Air Control Board~~] must review this [~~alternative fuel use~~] program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission [~~Air Control Board~~] determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, departments shall achieve a percentage of fleet vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other~~]

~~alternative fuels~~] equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The department must submit to the Texas Natural Resource Conservation Commission [~~Air Control Board~~] an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~] and any other relevant information the Texas Natural Resource Conservation Commission [~~Air Control Board~~] may require.

(m) A department in the development of the use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuel use program~~] should work with vehicle manufacturers and converters, fuel distributors, and others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. Such department may meet the percentage requirements of this section through the purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws[~~, to use the alternative fuels~~].

(p) In this section, "conventional gasoline" has the meaning assigned by Section 382.131, Health and Safety Code.

SECTION 15. Section 3.29, State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes), as amended by Chapters 20 and 684, Acts of the 73rd Legislature, 1993, is amended to read as follows:

Sec. 3.29. PURCHASE OF PASSENGER VEHICLES. (a) A state agency may not purchase or lease a vehicle designed or used primarily for the transportation of persons, including a station wagon, that has a wheel base longer than 113 inches or that has more than 160 SAE net horsepower, except that the vehicle may have a wheel base of up to 116 inches or SAE net horsepower of up to 280 if the vehicle will be converted so that it is capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or another alternative fuel that results in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates~~]. This exception to the wheel base and horsepower limitations applies to a state agency regardless of the size of the agency's vehicle fleet. The wheel base and horsepower limitations prescribed by this subsection do not apply to the purchase or lease of a vehicle to be used primarily for criminal law enforcement or a bus, motorcycle, pickup, van, truck, three-wheel vehicle, tractor, or ambulance.

(b)(1) A state agency operating a fleet of more than 15 vehicles, excluding law enforcement and emergency vehicles, may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels which result in comparably lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof~~].

(2) A state agency may acquire or be provided equipment or refueling facilities necessary to operate ~~[such]~~ vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~]:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~].

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~], the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) The commission may waive the requirements of this subsection for any state agency upon receipt of certification supported by evidence acceptable to the commission that:

(A) the agency's vehicles will be operating primarily in an area in which neither the agency nor a supplier has or can reasonably be expected to establish adequate [~~a central~~] refueling [~~station~~] for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~]; or

(B) the agency is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [~~or other alternative fuels~~] at a projected cost that is reasonably expected to result

in no greater net costs than the continued use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(c)(1) Any state agency which operates a fleet of more than 15 motor vehicles, excluding law enforcement and emergency vehicles, shall achieve the following percentages of vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated by September 1, 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ must review this ~~[alternative fuel use]~~ program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, state agencies operating fleets of more than 15 motor vehicles shall achieve a percentage of fleet vehicles capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The commission shall support the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ in collecting reasonable information needed to determine the air quality benefits from use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[alternative fuels]~~ at affected agencies.

(4) Each state agency in its annual financial report to the legislature must show its progress in achieving these percentage requirements by itemizing purchases, leases, and conversions of motor vehicles and usage of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~.

(d) The commission, in the development of the use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuel use program]~~, should work with state agency fleet operators, vehicle manufacturers and converters, fuel distributors, and

others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. State agencies may meet the percentage requirements of this section through purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws~~[- to use the alternative fuels]~~.

(e) The commission may reduce any percentage specified or waive the requirements of Subsection (c) of this section for any state agency upon receipt of certification supported by evidence acceptable to the commission that:

(1) the agency's vehicles will be operating primarily in an area in which neither the agency nor a supplier has or can reasonably be expected to establish adequate ~~[a central]~~ refueling ~~[station]~~ for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~; or

(2) the agency is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(f) The commission in purchasing, leasing, maintaining, or converting vehicles for compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ use shall comply with all applicable safety standards promulgated by the United States Department of Transportation and the Railroad Commission of Texas or their successor agencies.

(g) In this section, a vehicle is considered to be capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ if the vehicle is capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ either in its original equipment engine or in an engine that has been converted to use compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity ~~[or other alternative fuels]~~ after September 1, 1991,

unless the time for compliance is extended pursuant to Subsection (h) of this section.

(h) The commission may extend the date by which a vehicle powered by an engine fueled by conventional [a traditional] gasoline or diesel fuel [engine] shall be capable of using compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuels] as required under this section for one or more periods of 90 days, but not beyond September 1, 1992, if it finds a lack of ability to acquire such vehicles with original [alternative fuels] equipment, to acquire such vehicles which are able to be converted, or to convert such vehicles to use compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [or other alternative fuels].

(i) The provisions of this section do not apply to vehicles which are acquired by the Texas Transportation Institute for the purpose of performing crash tests and related research.

(j) In this section, "conventional gasoline" has the meaning assigned by Section 382.131, Health and Safety Code.

SECTION 16. Subsection (b), Section 113.286, Natural Resources Code, is amended to read as follows:

(b) To the extent permitted by federal law or regulations, the council may use the money in the fund only to:

(1) make loans or grants under this subchapter;

(2) finance activities supporting or encouraging the use of compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or methanol/gasoline blends of 85 percent or greater, ethanol or ethanol/gasoline blends of 85 percent or greater, or electricity [alternative fuels]; or

(3) pay the costs of administering this subchapter.

SECTION 17. Section 113.287, Natural Resources Code, is amended to read as follows:

Sec. 113.287. FUELS CONVERSION LOAN PROGRAM. (a) The council may make loans, grants, or other distributions to eligible borrowers to fund conversion or infrastructure projects to promote the use of environmentally beneficial [alternative] fuels or for other purposes, subject to applicable regulations or approval of the United States Department of Energy.

(b) The council shall adopt rules necessary to administer the fuels conversion loan program.

(c) The council shall adopt rules under this section in accordance with applicable rules and regulations of the United States Department of Energy.

(d) The council by rule shall determine which individuals and businesses are eligible for a loan, grant, or other disbursement under this section. The rules shall provide for historically underutilized businesses, individuals with low incomes, institutions of higher education, and health

care facilities to be eligible for loans, grants, or other disbursements to undertake conversion and infrastructure projects for [alternative] fuels.

(e) A state agency, county, municipality, school district, or mass transit authority or department is eligible to receive a loan, grant, or other disbursement under this subchapter to carry out an eligible conversion or infrastructure project regarding LPG or another environmentally beneficial [alternative] fuel to comply with [alternative] fuel requirements provided by or by rules adopted under:

- (1) Subchapter F, Chapter 382, Health and Safety Code;
- (2) Subchapter F, Chapter 21, Education Code;
- (3) Sections 3.03, 3.29, and 14.03, State Purchasing and General Services Act (Article 601b, Vernon's Texas Civil Statutes);
- (4) Sections 14(c)-(g), Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes);
- (5) Sections 20(e)-(i), Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes); and
- (6) Sections 6(k)-(o), Article 1118z, Revised Statutes.

(f) The council may make a loan to finance the construction of an infrastructure refueling facility only if the facility is to serve and be accessible to the general public to the extent practicable.

SECTION 18. It is the intent of the legislature that the program authorized by Section 9C, Texas Public Finance Authority Act (Article 601d, Vernon's Texas Civil Statutes), or any succeeding legislation, authorizes the Alternative Fuels Council to certify only those projects that are associated with the following fuels: compressed natural gas; liquefied natural gas; liquefied petroleum gas; electricity; or methanol, ethanol, or other alcohols including any mixture thereof containing 85 percent or more by volume of such alcohol with gasoline or other fuels.

SECTION 19. The Texas Natural Resource Conservation Commission shall adopt rules to implement Section 382.142, Health and Safety Code, as added by this Act, not later than September 1, 1997.

SECTION 20. This Act takes effect September 1, 1995.

SECTION 21. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

The amendment was read.

Senator Armbrister offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 to **C.S.S.B. 200** as follows:

1. Amend Floor Amendment No. 1 to **C.S.S.B. 200**, SECTION 1, Sec. 382.131 by amending subsection (7), lines 22-23 (page 2) by inserting the following after "Texas Civil Statutes),"
"and that is centrally fueled, capable of being centrally fueled, or fueled at facilities serving both business customers and the general public. The term does not include:"

2. Amend Floor Amendment No. 1 to C.S.S.B. 200, SECTION 1, Sec. 382.131, by amending subsection 7(C), lines 1-3 (page 3) by deleting existing language and substituting the following:

(C) a fleet vehicle that has a gross vehicle weight rating of greater than 26,000 pounds except vehicles owned or operated by the state or mass transit authorities.

3. Amend Floor Amendment No. 1 to C.S.S.B. 200, SECTION 3, by striking subsections (1), (2), and (3) on lines 14-22 (page 5) and substituting the following:

(1) 30 percent of fleet vehicles purchased after [not later than] September 1, 1998, or at least 10 percent of the fleet vehicles in the total fleet as of September 1, 1998 ~~[30 percent of the vehicles]~~;

(2) 50 percent of fleet vehicles purchased after [not later than] September 1, 2000, and at least 20 percent of the fleet vehicles in the total fleet as of September 1, 2000 ~~[50 percent of the vehicles]~~; and

(3) 90 percent of fleet vehicles purchased after [not later than] September 1, 2002, and at least 45 percent of the fleet vehicles in the total fleet as of September 1, 2002 ~~[90 percent of the vehicles]~~.

4. Amend Floor Amendment No. 1 to C.S.S.B. 200, SECTION 5, Sec. 382.136, subsection (4) by striking "conventional" from line 9 (page 7) and substituting "reformulated".

5. Amend Floor Amendment No. 1 to C.S.S.B. 200, SECTION 10, Sec. 382.142, subsection (b)(1)(A) by striking "Section 382.132(b)" from line 14 (page 9) and substituting "this Act".

6. Amend Floor Amendment No. 1 to C.S.S.B. 200, SECTION 10, Sec. 382.142, subsection (g)(3)(A) by striking "Section 382.132(b)" from line 30 (page 14) and substituting "this Act".

7. Amend Floor Amendment No. 1 to C.S.S.B. 200, SECTION 10, Sec. 382.142, subsection (g)(4) by striking "Subdivision (2)" from line 7 (page 15) and substituting "Subdivision (g)(2) of this section".

The amendment to Floor Amendment No. 1 was read and was adopted by a viva voce vote.

RECORD OF VOTES

Senators Moncrief and Montford asked to be recorded as "Present-not voting" on the adoption of Floor Amendment No. 2.

Senator West offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 3

Amend Floor Amendment No. 1 to C.S.S.B. 200 as follows:

(1) Strike SECTION 2 and substitute:

SECTION 2. Section 382.133, Health and Safety Code, is amended to read as follows:

Sec. 382.133. MASS TRANSIT FLEET VEHICLES. (a) The board by rule shall require a mass transit authority to ensure that its vehicles can

operate on ~~[compressed natural gas or other]~~ alternative fuels ~~[that result in comparably lower emissions]~~.

(b) Rules adopted under this section must require a mass transit authority to have its fleet vehicles able to operate on an [compressed natural gas or other] alternative fuel according to the following schedule:

(1) not later than September 1, 1994, at least 30 percent of the vehicles; and

(2) not later than September 1, 1996, at least 50 percent of the vehicles.

(c) Contingent on the board's review, not later than December 31, 1996, of the alternative fuels program established by this section and the board's determination that the program is reducing emissions, is projected to be effective in improving overall air quality, and is necessary to the attainment of federal ambient air quality standards in the affected areas, the rules must require a mass transit authority, not later than September 1, 1998, to have at least 90 percent of its fleet vehicles able to operate on an [compressed natural gas or other] alternative fuel.

(2) Strike SECTION 4 and substitute:

SECTION 4. Section 382.135, Health and Safety Code, is amended to read as follows:

Sec. 382.135. DUAL FUEL CONVERSION. (a) The percentage requirements of Section [Section] 382.133 ~~[and 382.134]~~ may be met by the dual fuel conversion or capability of conventional gasoline-powered or diesel-powered vehicles to operate also on an [compressed natural gas or other] alternative fuel ~~[fuels that result in comparably lower emissions]~~.

(b) The percentage requirements of Section 382.134 may be met by the dual fuel conversion or capability of conventional gasoline-powered or diesel-powered vehicles to operate also on an alternative fuel.

(3) Strike SECTION 11 and substitute:

SECTION 11. Subsection (c), Section 14, Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), as added by Section 8, Chapter 1189, Acts of the 71st Legislature, Regular Session, 1989, and amended by Section 13, Chapter 503, Acts of the 72nd Legislature, Regular Session, 1991, is amended to read as follows:

(c)(1) The board may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using an [compressed natural gas or other] alternative fuel ~~[fuels which result in comparably low emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof]~~.

(2) The authority may acquire or be provided equipment or refueling facilities necessary to operate such vehicles using ~~[compressed natural gas or other]~~ alternative fuel ~~[fuels]~~:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of ~~[compressed natural gas or other]~~ alternative fuel ~~[fuels]~~.

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of ~~[compressed natural gas or other]~~ alternative ~~fuel~~ ~~[fuels]~~, the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) The board or, in an authority covered by Subsection (h) of this section, the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~, may make exceptions to the requirements of this subsection if the board certifies that:

(A) the authority's vehicles will be operating primarily in an area in which neither the authority nor a supplier has or can reasonably be expected to establish a central refueling station for ~~[compressed natural gas or other]~~ alternative fuels; or

(B) the authority is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using ~~[compressed natural gas or other]~~ alternative fuels at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(4) Strike SECTION 12 and substitute:

SECTION 12. Section 14, Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973 (Article 1118x, Vernon's Texas Civil Statutes), is amended by amending Subsections (d), (e), (g), and (h) and by adding Subsection (i) to read as follows:

(d)(1) The board shall achieve the following percentages of vehicles capable of using ~~[compressed natural gas or other]~~ alternative fuels by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated in 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ must review this alternative fuel use program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, the board shall achieve a percentage of fleet vehicles capable of using ~~[compressed natural gas or other]~~ alternative fuels equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The board must submit to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of ~~[compressed natural gas or other]~~ alternative fuels and any other relevant information the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may require.

(e) The board in the development of the ~~[compressed natural gas or other]~~ alternative fuel use program should work with vehicle manufacturers

and converters, fuel distributors, and others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. The board may meet the percentage requirements of this section through purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws to use ~~{such}~~ alternative fuels.

(g) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may require reasonable reporting from any board to document the air quality benefits from alternative fuel use programs.

(h)(1) This subsection applies only to an authority confirmed at a tax election before July 1, 1985, and in which the principal city has a population of less than 750,000, according to the most recent federal census.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may reduce any percentage specified by, or waive the requirements of, Subsection (d) of this section for an authority on receipt of certification supported by evidence acceptable to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ that:

(A) the authority's vehicles will be operating primarily in an area in which neither the authority nor a supplier has or can reasonably be expected to establish a central refueling station for ~~[compressed natural gas or other]~~ alternative fuels; or

(B) the authority is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using ~~[compressed natural gas or other]~~ alternative fuels at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(3) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ shall develop rules for the certification process, including provisions requiring the authority to hold a public meeting and develop an alternative implementation schedule for meeting the percentages provided by Subsection (d) of this section before applying to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ for a reduction or waiver of those requirements.

(i) In this section, "alternative fuel" and "conventional gasoline" have the meanings assigned by Section 382.131, Health and Safety Code.

(5) Strike SECTION 13 and substitute:

SECTION 13. Section 20, Chapter 683, Acts of the 66th Legislature, 1979 (Article 1118y, Vernon's Texas Civil Statutes), is amended by amending Subsections (e), (f), (g), and (h) and by adding Subsection (k) to read as follows:

(e)(1) An authority may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using an ~~[compressed natural gas or other]~~ alternative fuel ~~[fuels which result in comparably low emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof]~~.

(2) An authority may acquire or be provided equipment or refueling facilities necessary to operate ~~[such]~~ vehicles using an ~~[compressed natural gas or other]~~ alternative ~~fuel~~ fuels:

- (A) by purchase or lease as authorized by law;
- (B) by gift or loan of the equipment or facilities; or
- (C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of ~~[compressed natural gas or other]~~ alternative fuels.

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of ~~[compressed natural gas or other]~~ alternative fuels, the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) An authority may make exceptions to the requirements of this subsection if the authority certifies that:

(A) the authority's vehicles will be operating primarily in an area in which neither the authority nor a supplier has or can reasonably be expected to establish a central refueling station for ~~[compressed natural gas or other]~~ alternative fuels; or

(B) the authority is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using ~~[compressed natural gas or other]~~ alternative fuels at a projected cost that is reasonably expected to result in no greater net costs than the continued use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(f)(1) An authority shall achieve the following percentages of vehicles capable of using ~~[compressed natural gas or other]~~ alternative fuels by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated by September 1, 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ must review this alternative fuel use program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, the authority shall achieve a percentage of fleet vehicles capable of using ~~[compressed natural gas or other]~~ alternative fuels equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The authority must submit to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of ~~[compressed natural gas or other]~~ alternative fuels and any other relevant information the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may require.

(g) An authority in the development of the ~~[compressed natural gas or other]~~ alternative fuel use program should work with vehicle manufacturers and converters, fuel distributors, and others to delineate the vehicles to be covered taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. The authority may meet the percentage requirements of this section through the purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws, to use the alternative fuels.

(h) The authority in purchasing, leasing, maintaining, or converting vehicles for ~~[compressed natural gas or other]~~ alternative ~~fuel~~ ~~[fuels]~~ use shall comply with all applicable safety standards promulgated by the United States Department of Transportation and the Railroad Commission of Texas or their successor agencies.

(k) In this section, "alternative fuel" and "conventional gasoline" have the meanings assigned by Section 382.131, Health and Safety Code.

(6) Strike SECTION 14 and substitute:

SECTION 14. Section 6, Article 1118z, Revised Statutes, is amended by amending Subsections (k), (l), and (m) and by adding Subsection (p) to read as follows:

(k)(1) The department may not purchase or lease after September 1, 1991, any motor vehicle unless that vehicle is capable of using an ~~[compressed natural gas or other]~~ alternative fuel ~~[which result in comparably low emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide, or particulates or any combination thereof].~~

(2) The department may acquire or be provided equipment or refueling facilities necessary to operate ~~[such]~~ vehicles using an ~~[compressed natural gas or other]~~ alternative ~~fuel~~ ~~[fuels]~~:

(A) by purchase or lease as authorized by law;

(B) by gift or loan of the equipment or facilities; or

(C) by gift or loan of the equipment or facilities or other arrangement pursuant to a service contract for the supply of ~~[compressed natural gas or other]~~ alternative fuels.

(3) If such equipment or facilities are donated, loaned, or provided through other arrangement with the supplier of ~~[compressed natural gas or other]~~ alternative fuels, the supplier shall be entitled to recoup its actual cost of donating, loaning, or providing the equipment or facilities through its fuel charges under the supply contract.

(4) A department may make exceptions to the requirements of this subsection if the department certifies that:

(A) the department's vehicles will be operating primarily in an area in which neither the department nor a supplier has or can reasonably be expected to establish a central refueling station for ~~[compressed natural gas or other]~~ alternative fuels; or

(B) the department is unable to acquire or be provided equipment or refueling facilities necessary to operate vehicles using ~~[compressed natural gas or other]~~ alternative fuels at a projected cost that is reasonably expected to result in no greater net costs than the continued

use of conventional ~~[traditional]~~ gasoline or diesel fuels, measured over the expected useful life of the equipment or facilities supplied.

(1)(1) A department shall achieve the following percentages of vehicles capable of using an ~~[compressed natural gas or other]~~ alternative fuel ~~[fuels]~~ by the times specified:

(A) the percentage shall be equal to or greater than 30 percent of the number of fleet vehicles operated by September 1, 1994; and

(B) equal to or greater than 50 percent of the number of fleet vehicles operated by September 1, 1996.

(2) The Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ must review this alternative fuel use program by December 31, 1996, and, if the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ determines that the program has been effective in reducing total annual emissions from motor vehicles in the area, departments shall achieve a percentage of fleet vehicles capable of using an ~~[compressed natural gas or other]~~ alternative fuel ~~[fuels]~~ equal to or greater than 90 percent of the number of fleet vehicles operated by September 1, 1998, and thereafter.

(3) The department must submit to the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ an annual report by December 31 of each year showing purchases, leases, and conversions of motor vehicles and usage of ~~[compressed natural gas or other]~~ alternative fuels and any other relevant information the Texas Natural Resource Conservation Commission ~~[Air Control Board]~~ may require.

(m) A department in the development of the ~~[compressed natural gas or other]~~ alternative fuel use program should work with vehicle manufacturers and converters, fuel distributors, and others to delineate the vehicles to be covered, taking into consideration range, specialty uses, fuel availability, vehicle manufacturing and conversion capability, safety, resale values, and other relevant factors. Such department may meet the percentage requirements of this section through the purchase of new vehicles or the conversion of existing vehicles, in accordance with federal and state requirements and applicable safety laws to use the alternative fuels.

(p) In this section, "alternative fuel" and "conventional gasoline" have the meanings assigned by Section 382.131, Health and Safety Code.

WEST	LUNA
BARRIENTOS	LEEDOM
CAIN	NIXON
ELLIS	PATTERSON
GALLEGOS	TRUAN
GALLOWAY	WHITMIRE

Floor Amendment No. 3 was read.

Senator Armbrister moved to table Floor Amendment No. 3.

The motion to table was lost by the following vote: Yeas 10, Nays 17, Present-not voting 2.

Yeas: Armbrister, Bivins, Haywood, Henderson, Nelson, Ratliff, Sibley, Turner, Wentworth, Zaffirini.

Nays: Barrientos, Brown, Cain, Ellis, Gallegos, Galloway, Leedom, Lucio, Luna, Madla, Nixon, Patterson, Rosson, Shapiro, Truan, West, Whitmire.

Present-not voting: Moncrief, Montford.

Absent-excused: Harris, Sims.

Question recurring on the adoption of Floor Amendment No. 3, the amendment to the amendment was adopted by a viva voce vote.

RECORD OF VOTES

Senators Moncrief and Montford asked to be recorded as "Present-not voting" on the adoption of Floor Amendment No. 3.

Question recurring on the adoption of Floor Amendment No. 1, the amendment as amended was adopted by a viva voce vote.

RECORD OF VOTES

Senators Moncrief and Montford asked to be recorded as "Present-not voting" on the adoption of Floor Amendment No. 1 as amended.

The bill as amended was passed to engrossment by the following vote: Yeas 26, Nays 1, Present-not voting 2.

Yeas: Armbrister, Barrientos, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Leedom, Lucio, Luna, Madla, Nelson, Nixon, Patterson, Ratliff, Rosson, Shapiro, Sibley, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Nays: Bivins.

Present-not voting: Moncrief, Montford.

Absent-excused: Harris, Sims.

COMMITTEE SUBSTITUTE SENATE BILL 200 ON THIRD READING

Senator Armbrister moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that C.S.S.B. 200 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 1, Present-not voting 2.

Yeas: Armbrister, Barrientos, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Leedom, Lucio, Luna, Madla, Nelson, Nixon, Patterson, Ratliff, Rosson, Shapiro, Sibley, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Nays: Bivins.

Present-not voting: Moncrief, Montford.

Absent-excused: Harris, Sims.

The bill was read third time and was passed by a viva voce vote.

RECORDS OF VOTES

Senator Bivins asked to be recorded as voting "Nay" on the final passage of the bill.

Senators Moncrief and Montford asked to be recorded as "Present-not voting" on the final passage of the bill.

MEMORIAL RESOLUTION

S.R. 362 - By Haywood: In memory of William Columbus Orr, Jr., of Denton.

CONGRATULATORY RESOLUTIONS

S.C.R. 83 - By Montford: Congratulating the Honorable Preston Smith on the occasion of his 83rd birthday.

S.R. 363 - By Haywood: Congratulating Gary Garrison, Jr., of Aubrey on achieving the rank of Eagle Scout.

S.R. 364 - By Haywood: Congratulating Lane Hayes of Panhandle on achieving the rank of Eagle Scout.

S.R. 365 - By Haywood: Congratulating Scott M. Nelsen of Aubrey on achieving the rank of Eagle Scout.

S.R. 366 - By Haywood: Congratulating Sean D. Pelphrey of Aubrey on achieving the rank of Eagle Scout.

S.R. 367 - By Truan: Congratulating Anita and David McGee on the birth of their daughter, Constance Victoria McGee.

S.R. 368 - By Galloway: Joining Woodcrest Elementary School of the Port Neches-Groves Independent School District in observing the month of March as "Music in Our Schools Month."

S.R. 369 - By Shapiro: Congratulating Morris Shapiro of Austin on the occasion of his 70th birthday.

S.R. 370 - By Madla: Commending the Area Health Education Center of South Texas and congratulating the Winter Garden Border Area Health Education Center, Del Rio Office, on the occasion of its one year anniversary.

S.R. 371 - By Lucio: Joining the Rio Grande Valley Chapter of the American Red Cross in recognizing March, 1995, as American Red Cross Month.

H.C.R. 90 - (Ellis): Commending Jack Brooks for his service in the United States Congress.

ADJOURNMENT

On motion of Senator Truan, the Senate at 1:27 p.m. adjourned until 10:30 a.m. tomorrow.

APPENDIX

REPORTS OF STANDING COMMITTEES

The following committee reports were received by the Secretary of the Senate:

March 8, 1995

STATE AFFAIRS — C.S.S.B. 3

CRIMINAL JUSTICE — C.S.S.B. 128, C.S.S.B. 280

HEALTH AND HUMAN SERVICES — S.B. 482

INTERNATIONAL RELATIONS, TRADE, AND TECHNOLOGY — S.C.R. 78

INTERGOVERNMENTAL RELATIONS — S.B. 477, S.B. 540 (Amended), C.S.S.B. 462, C.S.S.B. 584

EDUCATION — S.B. 694

THIRTY-FOURTH DAY

(Thursday, March 9, 1995)

The Senate met at 10:30 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Barrientos, Bivins, Brown, Cain, Ellis, Gallegos, Galloway, Haywood, Henderson, Leedom, Lucio, Luna, Madla, Moncrief, Montford, Nelson, Nixon, Patterson, Ratliff, Rosson, Shapiro, Sibley, Truan, Turner, Wentworth, West, Whitmire, Zaffirini.

Absent-excused: Harris, Sims.

A quorum was announced present.

The Reverend Bill Henderson, Pastor, First United Methodist Church, San Marcos, offered the invocation as follows:

Oremos, por favor, en el Espíritu Santo.
Let us pray, please, in the Holy Spirit.